

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 16-11700-smb

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5 In the Matter of:

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7 GAWKER MEDIA, LLC,

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9 Debtor.

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12 United States Bankruptcy Court

13 One Bowling Green

14 New York, NY 10004

15

16 September 19, 2017

17 10:20 AM

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21 B E F O R E :

22 HON STUART M. BERNSTEIN

23 U.S. BANKRUPTCY JUDGE

24

25 ECRO: TIMOTHY WILSON

1 HEARING re Case Conference

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3 HEARING re Notice of Agenda for Hearing to be Held September
4 19, 2017 at 10:00 A.M. (Prevailing Eastern Time)

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6 HEARING re second Interim and Final Application of Levine
7 Sullivan Koch & Schulz, LLP as Special Litigation Counsel
8 for the Debtors and Debtors in Possession for Allowance of
9 Compensation And for the Reimbursement of Expenses for the
10 Period from June 10, 2016 Through March 17, 2017 for Levine
11 Sullivan Koch & Schulz, LLP, Special Counsel, period:
12 6/10/2016 to 3/17/2017, fee: \$432,150.18, expenses:
13 \$22,888.54.

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25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

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3 ROPES & GRAY LLP

4 Attorneys for the Debtors and Plan Administrator

5 1211 Avenue of the Americas

6 New York, NY 10036

7

8 BY: WILLIAM ALEX MCGEE

9

10 UNITED STATES DEPARTMENT OF JUSTICE

11 Attorney for the U.S. Trustee

12 201 Varick Street, Room 1006

13 New York, NY 10014

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15 BY: ANDREA SCHWARTZ

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1 P R O C E E D I N G S

2 THE COURT: Gawker.

3 MR. MCGEE: Good morning, Your Honor. I'm William
4 Alex McGee, Ropes & Gray, on behalf of the Gawker Debtors
5 and the plan administrator. I believe, Your Honor, I
6 currently have a pro hac vice motion pending before Your
7 Honor. But if the Court will allow me to proceed this
8 morning, I can walk through the agenda.

9 THE COURT: Go ahead.

10 MR. MCGEE: Thank you. There are two items that
11 remain on the agenda for today, which I will address in the
12 order listed on the agenda.

13 The first item is the case status conference. As
14 Your Honor is aware, the Court confirmed the Debtor's plan
15 of reorganization in December of 2016 and the plan went
16 effective in March of this year. Reserve was set up under
17 the plan for unsecured creditors, and since confirmation, we
18 have been in the process of resolving various claims
19 objections in corollary issues.

20 There are about five items I would like to provide
21 an update on this morning. The first is, since the last
22 status conference, the Court has entered an Order regarding
23 the stipulation we reached with the IRS regarding tax years
24 2014 and 2015, and the Debtors have formally withdrawn their
25 objection to the IRS claims with respect to those tax years.

1 THE COURT: What were the years, 2015 and what?

2 MR. MCGEE: 2014 and 2015, Your Honor.

3 THE COURT: Okay.

4 MR. MCGEE: We are not waiting on the IRS to
5 inform us with respect to tax year 2016, which they now have
6 until October 20th to complete their examination.

7 The second item. As Your Honor recalls, we sold
8 substantially all of the assets of the Debtor, approximately
9 a little over a year ago. The one asset that was left
10 outstanding was the Gawker.com website. We were precluded
11 under the agreement with Univision from advertising the
12 website for a certain period of time. That period is coming
13 near an end. So, as we mentioned at the last status
14 conference, we are in discussions with various professionals
15 to assist in conducting that sale. We hope to move forward
16 with that once the period expires.

17 The next item is, recently, Your Honor, entered an
18 Order with respect to the Debtor's objection to the claims
19 of Charles Johnson in Gawker Media, LLC. Since that Order
20 was entered, we have been in touch with counsel to Mr.
21 Johnson and got the news to discuss the next steps. But we
22 have not heard back or agreed on a path forward, so we will
23 continue to reach out and update the Court once able.

24 The next item, Mr. Galardi, my colleague, and Mr.
25 Clarke at Skadden, Arps have been in touch with respect to

1 the 2004 examination of Mr. Peter Thiel. They have not yet
2 had a chance to formally meet and confer, but hope to do so
3 in the near future. So we should be able to have an update
4 on that in the near future.

5 Finally, we are in the process of moving forward
6 with the dissolution of Gawker Hungary in Hungary. In order
7 to do so, we need to complete an audit, which I understand
8 is either nearing completion or has just recently been
9 completed. Once that audit is complete and any other gating
10 items have been taken care of, we'll move forward with the
11 dissolution.

12 With that, unless Your Honor has any questions, I
13 could move on to the next item on the agenda.

14 THE COURT: Is there anyone else who wants to be
15 heard in connection with the status conference? Go ahead.

16 MR. MCGEE: Thank you, Your Honor. Item #2 on the
17 agenda is the Levine Sullivan fee application. As Your
18 Honor may recall from our last hearing, there have been no
19 objections to Levine Sullivan's fee application, but there
20 were a couple of corollary issues that we saw fit to resolve
21 before moving forward with presenting the application to the
22 Court. I'm happy to report that all those issues have now
23 been resolved and we are able to move forward with the
24 application today.

25 Levine Sullivan served as special litigation

1 counsel to the Debtors prior to and during the Chapter 11
2 cases. The firm also represented certain non-Debtor
3 defendants pursuant to the Court's Order approving Levine
4 Sullivan's retention. Those are responsible for 85 percent
5 of the firm's fees and 100 percent of their expenses, which
6 is reflected in the application.

7 The final fee application requests final approval
8 for a total of \$432,150 and change in fees, and \$22,888 and
9 change in expenses. The total unpaid amount of what is
10 requested is a little over \$66,000.

11 Any issues that have been raised by the U.S.
12 Trustee have been resolved at this time. And as I
13 previously mentioned, there have been no objections to the
14 final fee application.

15 To the extent Your Honor has any questions,
16 counsel to Levine Sullivan, Mr. Sakalo and Mr. Berlin of the
17 Levine Sullivan firm, I believe, are appearing telephonic
18 today and are available to the extent the Court has
19 questions.

20 THE COURT: Is there anyone who wants to be heard
21 in connection with the fee application? Anything from the
22 U.S. Trustee?

23 MS. SCHWARTZ: No, Your Honor.

24 THE COURT: All right. The application is
25 granted. You can submit an Order.

1 MR. MCGEE: Thank you, Your Honor. I believe all
2 other items on the agenda have been adjourned or withdrawn.
3 So unless Your Honor has anything further.

4 THE COURT: No.

5 MR. MCGEE: Thank you, Your Honor.

6 THE COURT: Thank you.

7 (Whereupon these proceedings were concluded at
8 10:25 AM)

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Page Line

Levine Sullivan Koch & Schulz, LLP

Fee Application Granted 7 25

C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.

Sonya
Ledanski Hyde

Digitally signed by Sonya Ledanski Hyde
DN: cn=Sonya Ledanski Hyde, o, ou,
email=digital1@veritext.com, c=US
Date: 2017.09.21 14:28:35 -04'00'

Sonya Ledanski Hyde

Veritext Legal Solutions

330 Old Country Road

Suite 300

Mineola, NY 11501

Date: September 21, 2017